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C O N F I D E N T I A L DJIBOUTI 000528

SIPDIS

FOR AF/EX AND OBO; ALSO FOR AF AND AF/E

E.O. 12958: DECL: 04/12/2014

TAGS: [PREL](#) [ABLD](#) [AMGT](#) [DJ](#)

SUBJECT: AMBASSADOR PRESENTS PRESIDENT GUELLEH WITH OFFER  
ON NEC

REF: A. (A) DJIBOUTI 492

[¶](#)B. (B) DJIBOUTI 340

Classified By: Classified by Ambassador Marguerita D. Ragsdale for reas  
ons 1.4 (b) and (d).

[¶](#)1. (C) At her request, Ambassador met April 11 at the  
Presidency with President Ismail Omar Guelleh to present  
the USG's formal offer to purchase land for a new  
Embassy compound site in the Salines Est section of  
Djibouti. The Ambassador was accompanied by Pol/Econ  
and GSO officers. (Notetakers) The Ambassador stated  
that the U.S. had identified a site of approximately  
40,300 square meters and would like to begin construction  
as early as 2007. The U.S.'s offering price is USD  
1,800,000 to include provision for land fill, installation  
and delivery of utilities to the property, as well as all  
incidental rights and easements associated with the  
property. She also gave the President a site drawing of  
the property in which the U.S. was interested and a  
non-paper in both English and French of specific points  
covering details of the offer, offer deadline, and U.S.  
rights under the Vienna Convention regarding dues, taxes,  
and fees directly related to purchase of property for a  
diplomatic mission. (Note: Embassy passed the same  
details via diplomatic note to Djibouti's Ministry of  
Foreign Affairs on April 12. See septel.)

[¶](#)2. (C) Guelleh commented that he had heard rumors  
"about town" that the United States was seeking a  
suitable site and that it had hired a private firm to  
survey sites and do measurements, and that the findings  
had been compiled in a "thick book." (Note: Guelleh was  
referring to the NEC Site Selection Report of August  
2003 prepared by DTZ Leadenhall of South Africa. OBO  
commissioned the report and contracted local architect  
Daniel Dubois to do the survey. End Note.)

[¶](#)3. (C) Guelleh continued that the Government of Djibouti  
had contracted an investor to develop the site containing  
the tract the U.S. wishes to purchase. (Note: The  
developer is Maya Trading and Real Estate Development  
Company. See Reftels A and B. End Note.) The developer  
would determine the price of the parcels, he said, after  
the Government of Djibouti does its own assessment,  
including the cost of utilities. Guelleh added that his  
Government had not received from the U.S. any official  
request for land at the time the contract with the  
developer was signed. Ambassador asked that Guelleh  
consider her meeting today with him, and the formal  
diplomatic note to follow repeating the request, as the  
U.S. government's formal offer to purchase. Guelleh  
responded that he would be in agreement with allowing the  
U.S. to have the parcel of land it is requesting if it  
has not been granted to anyone else.

[¶](#)4. (C) Guelleh then turned to the price of the parcel.  
He told the Ambassador he thought it was "arbitrary."  
Per existing agreements regarding specifications and  
cost of government owned land, he continued, there were  
already buyers that had received land grants from the  
government. The U.S. may now have to negotiate with  
these beneficiaries. Ambassador interjected that the  
U.S. understood that a portion (approximately 7,142  
square meters) of the parcel in question had indeed  
been sold, but that the U.S.'s interest was in the  
remaining 40,300 square meters of the parcel.

[¶](#)5. (C) Guelleh commented that the Government generally  
takes 1000 Djiboutian Francs (approximately USD 6) per  
square meter in a land sale. Beyond that, the cost of  
utilities and other land preparatory expenses, would be  
added. He said that the U.S. offer equals roughly 5,000  
Djiboutian Francs per square meter (approximately  
USD 28), but at least 7,000 Djiboutian Francs per square  
meter (approximately USD 39) would be needed to cover  
roadways, networks and drainage. Ultimately, he said,  
the developer would need to determine the final costs.  
He stated that his Government would review the offer and  
get back to the Ambassador with an assessment.

RAGSDALE